Case Number 4564

Application

Trascripts

Small Exhibits

ETC.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BÓX 2088 - SANTA FE 87501

July 7, 1971

GOVERNOR BRUCE KING CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO MEMBER

STATE GEOLOGIST A. L. PORTER, JR. SECRETARY – DIRECTOR

Re:	Case No	4564			
	Order No	R-4166			
	Applicant:				
	Penroc Oil	Corporation			

Dear Sir:

Mr. Jason Kellahin Kellahin & Fox Attorneys at Law

Post Office Box 1769 Santa Fe, New Mexico

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.

Secretary-Director &

ALP/ir
Copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC
Other

DEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 4564 Order No. R-4166

APPLICATION OF PENROC OIL CORPORATION FOR A NON-STANDARD OIL PRORATION UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30, 1971, at Santa Fe, New Mexico, before Examiner Blvis A. Utz.

NOW, on this 7th day of July, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Penroc Oil Corporation, is the owner and operator of the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks approval of an 80-acre non-standard oil proration unit in the Hobbs-Drinkard Pool comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 33, to be dedicated to its Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.
- (4) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.

-2-CASE NO. 4564 Order No. R-4166

(5) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That an 80-acre non-standard oil promation unit in the Hobbs-Drinkard Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to Penroc Oil Corporation's Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.
- (2) That this order shall become effective the date the Hobbs District Office of the Commission is notified that the above-described well has a casinghead gas connection.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary

DONE at Santa Pe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

dr/

Case 456f

Lead &-30-7/

Pec. 7-1-7/

Lec. 7-1-7/

Lec. 7-1-7/

Their Conoco Sf-#1, 1956N,

23/0/E of 33-18-38conocotory

The BW NE+ NWSE of 33. 2035,

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John that he
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commeticar

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

June 14, 1971

Mr. A. L. Porter, Jr. New Mexico Oil Conservation Commission State Land Office Building Santa Fe, New Mexico 87501

Dear Mr. Porter:

Re: Penroc Conoco-State #1
Unit G, Sec. 33-18S-38E
Lea County, New Mexico

Los bemoffson

Los be Penroc Oil Corporation has drilled and completed their Conoco-State No. 1 well at a location 1980' FNL and 2130' FEL, Section 33-18S-38E Lea County, New Mexico, in the Hobbs Drinkard Pool.

It is requested that a 40 acre non-standard proration unit for Drinkard production with a 40 acre allowable be established. This is to be a temporary measure until a non-standard 80/acre proration unit for the above well is approved by hearing which is being requested at the earliest possible date. The 80 acre non-standard unit would consist of the SW/4 NE/4 and NW/4 SE/4, Section 33, 718S, R38E.

The offset operators to this proration unit have waived all objections to such a non-standard 80 acre unit. The waivers signed by Amoco Production Company, Gulf Oil/Corporation, Shell Oil Company and Continental Oil Company are/enclosed.

We respectfully request your early consideration of this request.

Very truly yours,

PENROC OIL CORPORATION



Amoco Production Company

Oil and Gas Building P.O. Box 1410 Fort Worth, Texas 76101

June 3, 1971

File:

DRC-288-986.510.1

Subject:

Non-Standard Proration Unit Your Conoco-State No. 1 Hobbs-Drinkard Pool Lea County, New Mexico

Penroc Oil Corporation P. O. Drawer 831 Midland, Texas

Attention: Mr. H. Brace Wigzell

Gentlemen:

In reference to your letter of May 27, 1971, we are attaching herewith our waiver to your application for assignment of a non-standard proration unit for your Conoco-State Well No. 1, Hobbs-Drinkard Pool.

Yours very truly,

D. L. Ray my

CDB:jn



Amoco Production Company

Oil and Gas Building P.O. Box 1410 Fort Worth, Texas 76101

June 3, 1971

File:

DRC-287-986.510.1

Subject:

Non-Standard Proration Unit Penroc Oil Corporation's Conoco-State No. 1 Hobbs-Drinkard Pool Lea County, New Mexico

New Mexico Oil Conservation Commission P. 0. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Amoco Production Company, as an offset operator, has been advised by Penroc Oil Corporation of their application for a nonstandard proration unit by completing their Conoco-State No. 1 drilled at a location 1980' FNL and 2130' FEL Section 33, T18S, R38E, Lea County, New Mexico in the Hobbs-Drinkard Pool. We understand Penroc is requesting that the Oil Conservation Commission approve an 80-acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 Section 33-18S-38E.

Amoco Production Company hereby waives notice of hearing to this application.

Yours very truly,

D.L. Ray

CDB:jn

cc: Penroc Oil Corporation P. O. Drawer 831 Midland, Texas 79701.

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

May 27, 1971

Re: Penroc Conoco-State No. 1 Unit No. G, Sec. 33-18S-38E Lea County, New Mexico

Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240

Attention Mr. C. D. Borland
Area Production Manager

Gentlemen:

Penroc Oil Corporation is presently completing their Conoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard Pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Gulf Oil Corporation consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

Very truly yours,

PENEOC OIL CORPORATION

J. Diae Taggell

H. Brace Wigzell

APPRO	OVED:	Yes_	V	, No	•
GULF By		RPO		ION	
Date	6-1-	71			

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

June 1, 1971

Re: Penroc Conoco-State No. 1
Unit No. G, Sec. 33-18S-38E
Lea County, New Mexico

Continental Oil Company P. O. Box 431 Midland, Texas 79701

Attention Mr. Robert F. Mathews
Exploration Manager

Gentlemen:

Penroc Oil Corporation ispresently completing their Conoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Continental Oil Company consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

PENROC OIL CORPORATION

L. Diece Viggell

H. Brace Wigzell

APPROVED: Yes X, No___.

CONTINENTAL OIL CORPORATION

By A Date June 2, 1971

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

May 27, 1971

Re: Penroc Conoco-State No. 1 Unit No. G, Sec. 33-18S-38E Lea County, New Mexico

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Attention Division Production Manager

Gentlemen:

Penroc Oil Corporation is presently completing their Conoco-State No. 1 well drilled at a location 1980¹ NL and 2130¹ EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard Pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Shell Oil Company consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

Very truly yours,

PENROC OIL CORPORATION

X. Diace Wiggell

H. Brace Wigzell

APPROVED: Yes /, No____

SHELL OIL COMPANY

te / /0/2

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Docket No. 13-71

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 30, 1971

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4352: (Reopened) (Continued from April 14, April 28, and May 19, 1971, Examiner Hearings)

In the matter of Case 4352 being reopened by the Oil Conservation Commission upon its own motion to give all interested persons an opportunity to appear and present evidence to whether the Double L-Queen and Suble-Queen Pools, Chaves County, New Mexico, are in fact separate reservoirs or one common reservoir. Further, in the event it is found that the two pools comprise one common reservoir, the Commission will consider the adoption of special rules and regulations to provide for the classification of cil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas wells and oil wells.

CASE 4539: (Continued from the May 19, 1971, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Doanbuy Lease & Company, Inc., and all other interested persons to appear and show cause why its following described wells in Section 27, Township 14 South, Range 33 East, Saunders Pool, Lea County, New Mexico, should not be plugged and abandoned. in accordance with a Commission-approved plugging program:

Atlantic	State AC -	1	Well No.	1	Unit N
Atlantic	State AC -	2	Well No.	2	Unit M
Atlantic	State AC -	2	Well No.	3	Unit O
Atlantic	State AC -	3	Well No.	4	Unit L
`Atlantic	State AC -	3	Well No.	5	Unit J
Atlantic	State AC -	4	Well No.	6	Unit P
Atlantic	State AC -	4	Well No.	7	Unit I

CASE 4556: Application of Tenneco Oil Company for salt water disposal, Chaves County, New Nexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from 3154 feet to 3159 feet in its USA-Reno Well No. 1 located in Unit L of Section 3, Township 15 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

- CASE 4557: Application of Continental Oil Company
 for transfer of allowable, Lea County, New Mexico.
 Applicant, in the above-styled cause, seeks authority to
 transfer allowable across the boundaries of the participating
 area and the leases outside said area but within the Maljamar
 Cooperative Area, MCA Unit Area, Maljamar Grayburg-San Andres
 Pool, Lea County, New Mexico.
- CASE 4535: (Continued from the April 28, and the May 19, 1971, Examiner Hearings)

Application of Continental Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Monument-Tubb and Weir Drinkard oil production in the well-bore of its SEMU Well No. 70, located in Unit I of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

- CASE 4558: Application of Midwest Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Little Inbe (Bough "C") Unit Area comprising 2,240 acres, more or less, of state lands in Sections 10, 11, 14 and 15 of Township 10 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.
- CASE 4559: Application of Midwest Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Little Inbe (Bough "C") Unit Area, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico, by the injection of water through three wells located in Sections 11 and 14 of Township 10 South, Range 33 East, Lea County, New Mexico.
- CASE 4560: Application of Rijan Oil Company, Inc. for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project in the Slick Rock-Dakota Pool by the injection of water into the Dakota formation through its Rijan Wells Nos. 10, 12, and 14 located, respectively, in Units F, L and K of Section 31, Township 30 North, Range 16 West, San Juan County, New Mexico.
- CASE 4561: Application of Great Plains Land Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seek an exception to

Examiner Hearing - June 30, 1971 -3-

(Case 4561 continued)

Order No. R-3221, as amended, to dispose of water produced by its well located in the NW/4 NW/4 of Section 31, Township 18 South, Range 30 East, Shugart Field, Eddy County, New Mexico.

- CASE 4562: Application of Texas Oil and Gas Corporation, for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Indian Basin-Upper Pennsylvanian Gas Pool to permit the drilling of a well at an unorthodox gas well location 990 feet from the North and West lines of Section 22, Township 22 South, Range 23 East, Eddy County, New Mexico.
- CASE 4563: Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.
- CASE 4564: Application of Penroc Oil Corporation for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, Hobbs-Drinkard Pool, Lea County, New Mexico, to be dedicated to its Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.



Amoco Production Company

Oil and Gas Building P.O. Box 1410 Fort Worth, Texas 76101

June 3, 1971

File:

DRC-288-986.510.1

Subject:

Non-Standard Proration Unit Your Conoco-State No. 1 Hobbs-Drinkard Pool Lea County, New Mexico

Penroc Oil Corporation P. 0. Drawer 831 Midland, Texas

Attention: Mr. H. Brace Wigzell

Gentlemen:

In reference to your letter of May 27, 1971, we are attaching herewith our waiver to your application for assignment of a non-standard proration unit for your Conoco-State Well No. 1, Hobbs-Drinkard Pool.

Yours very truly,

D. L. Ray of

CDB:jn

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Pencoc EXHIBIT NO. 2

4564 CASE NO._

CASE 4549: (Continued from the June 15,1971, Examiner Hearing)

> Application of Tom L. Ingram for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Light Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 15, Township 8 South, Range 37 East, Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, the S/2 of said Section 15 to be dedicated to the well.

> > neading care in growing comments as

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Amoco Production Company

Oil and Gas Building P.O. Box 1410 Fort Worth, Texas 76101

June 3, 1971

File:

DRC-287-986.510.1

Subject:

Non-Standard Proration Unit Penroc Oil Corporation's Conoco-State No. 1 Hobbs-Drinkard Pool Lea County, New Mexico

New Mexico Oil Conservation Commission Santa Fe, New Mexico 87501

Gentlemen:

Amoco Production Company, as an offset operator, has been advised by Penroc Oil Corporation of their application for a nonstandard proration unit by completing their Conoco-State No. 1 drilled at a location 1980; FNL and 2130; FEL Section 33, T18S, R38E, Lea County, New Mexico in the Hobbs-Drinkard Pool. We understand Penroc is requesting that the Oil Conservation Commission approve an 80-acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4

Amoco Production Company hereby waives notice of hearing to this application.

Yours very truly,

D.L. Ray

CDB:jn

cc: Penroc Oil Corporation P. O. Drawer 831 Midland, Texas 79761

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

May 27, 1971

Re: Penroc Conoco-State No. 1 Unit No. G, Sec. 33-18S-38E Lea County, New Mexico

Gulf Oil Corporation P. O. Box 670 Hobbs, New Mexico 88240

Attention Mr. C. D. Borland
Area Production Manager

Gentlemen:

Penroc Oil Corporation is presently completing their Gonoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard Pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Gulf Oil Corporation consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Very truly yours,

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

APPROVED: Yes No.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
By CHARLES EXHIBIT NO. 3
CASE NO. 4564

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

May 27, 1971

Re: Penroc Conoco-State No. 1 Unit No. G, Sec. 33-18S-38E Lea County, New Mexico

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Attention Division Production Manager

Gentlemen:

Penroc Oil Corporation is presently completing their Conoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard Pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Shell Oil Company consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

Very truly yours,

APPROVED: Yes No BEFORE EXAMINER UTZ

SHELL OIL COMPANY

By A MANGE STAGE

OIL CORPORATION

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Penroc EXHIBIT NO 4

CASE NO. 4564

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

June 1, 1971

Re: Penroc Conoco-State No. 1
Unit No. G, Sec. 33-18S-38E
Lea County, New Mexico

Continental Oil Company P. O. Box 431 Midland, Texas 79701

Attention Mr. Robert F. Mathews
Exploration Manager

Gentlemen:

Penroc Oil Corporation ispresently completing their Conoco-State No. 1 well drilled at a location 1980 NL and 2130 EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Continental Oil Company consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Very truly yours,

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

APPROVED: Yes X, No

CONTINENTAL OIL CORPORATION

BEFORE EXAMINER UT

FRVATION COMMISSION

Date June 2, 1971

CASE NO. 4564

P. O. DRAWER 831 · MIDLAND, TEXAS · 79701

June 7, 1971

AL CONSERVATION COM

Re: Penroc Conoco-State #1 Unit G, Sec. 33-18S-38E Lea County, New Mexico

Mr. A. L. Porter, Jr. New Mexico Oil Conservation Commission State Land Office Building Santa Fe, New Mexico 87501

Care 4564

Dear Mr. Porter:

Penroc Oil Corporation has drilled and completed their Conoco-State No. 1 well at a location 1980 FNL and 2130 FEL, Section 33-18S-38E Lea County, New Mexico, in the Hobbs Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80-acre proration unit for a well completed in the Hobbs Drinkard Pool, be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80-acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Section 33-18S-38E.

The offset operators to this proration unit have been requested to waive their objections to such a non-standard unit and sign waivers from Amoco Production Company, Gulf Oil Corporation, Shell Oil Company, and Continental Oil Company are enclosed.

In addition we enclose a plat showing acreage ownership, wells in the field with producing horizons color-coded and Penroc's requested 80-acre proration unit outlined in yellow. Also enclosed are NMOCC forms C-104 and C-105.

We respectfully request your early consideration of this request.

Very truly yours,

PENROC OIL CORPORATION

W. Brace Wigzell
H. Brace Wigzell

HBW:mlm Enclosures

DOCKET MARED

6-15-7

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Change in Ownership	Casinghead Gas Conden	isate	· · · · ·	
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and realized of provided owner				
DESCRIPTION OF WELL AND LEA	ASF			
Lease Name	Well No. Pool Name, Including Fo	ormation Kind	of Lease	Lease No.
Conoco-State	l Hobbs Drinl	kard 5 State	Federal or Fee State	B-2652
Location				
C 1000	NI 47-	2120	<u></u>	
Unit Letter G; 1980	Feet From The North Lin	e and <u>2130</u> Fee	et From The <u>East</u>	
Line of Section 33 Township	to 18S Range	2017	r	
Line of Section 33 Townshi	tp 185 Range	38E , NMPM,	Lea	County
DESIGNATION OF TRANSPORTER	OF OIL AND NATURAL GA	S		· · · · · · · · · · · · · · · · · · ·
Name of Authorized Transporter of Oil 🔀	-		th approved copy of this form is	*
Admiral Crude Oil Con		P.O. Box 1713,	Midland, Texas 7 th approved copy of this form is	9701
Name of Authorized Transporter of Casingh	nead Gas 🔀 or Dry Gas 🗔	Address (Give address to which	h approved copy of this form is	to be sent)
Phillips Petroleum Con	mpany	Phillips Bldg.	Bartlesville, Okla	homa
well produces oil or liquids, Uni		Is gas actually connected?	When	
give location of tanks.	J 33 18S 38E	No	7/15/71	
				
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	Oll Well Gas Well	New Well Workover De	· ·	es'v. Diff. Res'v.
Designate Type of Completion -	Oll Well Gas Well	New Well Workover De	spen Plug Back Same R	es'v. Diff. Res'v.
Designate Type of Completion -	Oll Well Gas Well (X) X te Compl. Ready to Prod.	New Well Workover De	Plug Back Same R	
Designate Type of Completion — Date Spudded	(X) Gas Well Gas Well Compl. Ready to Prod. June 1, 1971	New Well Workover De	P.B.T.D.	
Designate Type of Completion — Date Spudded Date 4/23/71 Elevations (DF, RKB, RT, GR, etc.) Nar	(X) Gas Well Gas Well X te Compl. Ready to Prod. June 1, 1971 me of Producing Formation	New Well Workover Dec X	P.B.T.D. Tubing Depth	33'
Designate Type of Completion — Date Spudded	(X) Gas Well Gas Well Compl. Ready to Prod. June 1, 1971	New Well Workover De	P.B.T.D. Tubing Depth	33'
Designate Type of Completion — Date Spudded 4/23/71 Elevations (DF, RKB, RT, GR, etc.; Nat. 3640 G. L. Perforations	(X) Gas Well Gas Well X te Compl. Ready to Prod. June 1, 1971 me of Producing Formation	New Well Workover Dec X	P.B.T.D. P.B.T.D. Tubing Depth 689	33'
Designate Type of Completion — Date Spudded 4/23/71 Elevations (DF, RKB, RT, GR, etc.) 3640 G, L.	(X) Gas Well Gas Well X te Compl. Ready to Prod. June 1, 1971 me of Producing Formation	New Well Workover Dec X	P.B.T.D. Tubing Depth	33'

Core 45 69 NO. OF COPIES RECEIVED Form C-105 Revised 1-1-65 DISTRIBUTION 5a. Indicate Type of Lease SANTA FE NEW MEXICO OIL CONSERVATION COMMISSION State 🔭 Fee FILE WELL COMPLETION OF RECOMPLETION REPORT AND LOG State Oil & Gas Le U.S.G.S. B-2656 LAND OFFICE OPERATOR JUN 1 11270 la. TYPE OF WELL 12 CONSERVATION COM WELL T GAS ... 8. Farm or Lease Name b. TYPE OF COMPLETION NEW WELL

2. Name of Operator WORK OVER Conoco-State BACK __ DEEPEN Penroc Oil Corporation No. 1 Field and Pool, or Wildcat P. O. Drawer 831, Midland, Texas 79701 Hobbs - Drinkard 4. Location of Well EET FROM THE North 2130 FEET FROM 1980 East LINE OF SEC. 16. Date T.D. Reached 17. Date Compl. (Ready to Prod.) Lea 15. Date Spudded 18. Elevations (DF, RKB, RT, GR, etc.) 19. Elev. Cashinghead 4/23/71 5/14/71 6/1/71 3640.4 G.L. 3639.4 23. Intervals , Rotary Tools Cab Drilled By Surface to T. D. 22. If Multiple Compl., How Many 7075' 70331 None 25. Was Directional Survey Made 24. Producing Interval(s), of this completion - Top, Bottom, Name 6752 - 6975 Hobbs Drinkard No 27. Was Well Cored 26. Type Electric and Other Logs Run Welex Gamma Acoustic Log CASING RECORD (Report all strings set in well) WEIGHT LB./FT. HOLE SIZE CEMENTING RECORD 13-3/8" 410 sacks circulated 48# 418 17" None 9-5/8" 36# 37991 12-1/4 350 sacks, top @ 1089' None 204, 23#, 26# 7075 8-3/4 900 sacks, top @ 3658' None LINER RECORD TUBING RECORD 29. TOP воттом 6850 PACKER SET SIZE SACKS CEMENT SCREEN 2-3/8 6850' 31. Perferation Record (Interval, size and number) ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 6611 - 6727, 1", 37 shots 5000 gal. MOD-202 acid 3000 gal. MOD-202 acid 4000 gal. MOD 202 acid 6611 - 6727 6752 - 6321 6752 - 6821, 1", 16 shots 6876 - 6975, 1", 18 shots 6876 - 6975 PRODUCTION Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in) 5/19/71 Date of Test 6/1/71 Hours Tested Water - Bbl. 1/211 - MCF 308 554, 400 1800 Trace Casing Pressure
Packer Oil Gravity - API (Corr.) Calculated 24-Hour Rate Bbl. Trace 554,400 34. Disposition of Gas (Sold, used for fuel, vented, etc.)

Vented - connection to Phillips pending Test Witnessed By Forest Blount, Agua, Inc. 35. List of Attachments Copy of log.

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

President

6/7/71

DATE

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

		Southeasteri	New Mexico		Northwes	tem Ne	ew Mexico
T.	Anhy	1585 T.	Canyon	T .	Ojo Alamo	т.	Penn. "B"
T.	Salt	Т.	Strawn 10000	т.	Kirtland-Fruitland	Т.	Penn. "C"
В.	Salt	T.	Atoka	. T.	Pictured Cliffs	T.	Penn. "D"
T.		1647 T	Miss	т.	Cliff House	т.	Leadville
T.		2847 T	Devonian	. T.	Menefee	T.	Madison
T.	Queen	365 T	Silurian	т.	Point Lookout	т.	Elbert
T.	Grayburg	Т.	Montoya	Ť.	Mancos	т.	McCracken
T.	Out 1110100		Simpson	T.	Gallup	т.	Ignacio Qtzte
T,	Glorieta	7. T.	McKee	Ba	se Greenhorn	T.	Granite
T.	Paddock	тт.	Ellenburger	Τ.	Dakota	т.	4.8
T.	LALINOUS		. Gr. Wash				
T.	* 400	406 T	Granite	т.	Todilto:	Т.	. <u> </u>
T.	Drinkard	609 _T	Delaware Sand	.T.	Entrada	Т.	
T.	Abo	T.	Bone Springs	- T.	Wingate	T.	<u> 2000 - 200</u>
T.			- 1 1 1 1 1 1 1 1.				
T.							
T	Cisco (Bough C) T.	. <u> </u>	. T .	Penn "A"	T.	

FORMATION RECORD (Attach additional sheets if necessary)

From	То	Thickness in Feet	Formation	Prom	То	Thickness in Feet	Formation
0,	1585	1585	Surface to top Rustler				
			includes water dands &				
वेद्या	1		red bods.	: .		1	
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*			or sait section and				*
	<u> </u>		Tansili anhydrite				
2647	2847	200	Yates section dominate	y .			
			dolomite w/fine sand				
			stringers		1		
2847	3363	516	Seven rivers dolomite			i	
3363	3968	605	Primarily dolomite w/				
			Queen sand section				
3968	5282	1314	San Andres carbonate				
			section of dolo., anhy.,		·		
	L	4.55	and is.				
5282	5737	455	Giorieta se interbedded				
		1	w/dolomite.	el.		5.	
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NEW MEXICO OIL CONSERVATION COMMISSION Supersedes Old C-101 and C-110 Effective 1-1-65 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL JUN 1 1 1970 IL CONSERVATION COM! PRORATION OFFICE Operator Penroc Oil Corporation Address P. O. Drawer 831, Midland, Texas 79701 Reason(s) for filing (Check proper box) Other (Please explain) $[\mathbf{x}]$ New Voll Change in Transporter of: Recompletion OII Dry Gas Change in Ownership Casinghead Gas Condensate If change of ownership give name and address of previous owner ____ II. DESCRIPTION OF WELL AND LEASE Well No. Pool Name, including Formation Kind of Lease Lease No. Conoco-State Hobbs Drinkard State, Federal or Fee State B-2652 Location 1980 Feet From The North Line and 2130 Unit Letter 33 18S 38E Line of Section NMPM. Lea County III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS Name of Authorized Transporter of Oil [X] Address (Give address to which approved copy of this form is to be sent) Admiral Crude Oil Corporation P.O. Box 1713, Midland, Texas 79701
Address (Give address to which approved copy of this form is to be sent) Name of Authorized Transporter of Casinghead Gas 🔀 Phillips Bldg., Bartlesville, Oklahoma Phillips Petroleum Company Unit Is gas actually connected? If well produces oil or liquids, 38E ; 33 i 18S No 7/15/71 give location of tanks. If this production is commingled with that from any other lease or pool, give commingling order numbers IV. COMPLETION DATA Same Res'v. Diff. Res'v. Oil Well New Well Workover Plug Back Designate Type of Completion - (X) х Date Soudded Date Compl. Ready to Prod. Total Depth P.B.T.D. 4/23/71 June 1, 1971 70751 70331 Elevations (DF, RKB, RT, GR, etc.) Name of Producing Formation Top Oil/Gas Pay Tubing Depth 3640 G. L. Drinkard 66091 <u>6850'</u> Perforations Depth Casing Shoe 6611 - 6975 7075 TUBING, CASING, AND CEMENTING RECORD SACKS CEMENT HOLE SIZE CASING & TUBING SIZE DEPTH SET 13-3/8 418^t 410 Circ 12-1/4 <u>9-5/8</u> 3799 350 8-3/4 900 7075 2-3/8 Tubing 6850 (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours) V. TEST DATA AND REQUEST FOR ALLOWABLE Date First New Oil Run To Tanks Producing Method (Flow, pump, gas lift, etc.) Date of Test 5/19/71 6/1/71 Tubing Pressure Casing Pressure Choke Size FTP 720# 1/2" 24 hours Packer-Actual Prod. During Test Oil - Bbla Nate: - Bbls. Gas - MCF 308 BO 308 BO Trace 554, 400 GAS WELL Actual Prod. Test-MCF/D Length of Test Bbis. Condensate/MMCF Gravity of Condensate Testing Method (pitot, back pr.) Casing Pressure (Shut-in) Choke Size Tubing Pressure (Shut-in) OIL CONSERVATION COMMISSION VI. CERTIFICATE OF COMPLIANCE APPROVED. I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief. This form is to be filed in compliance with RULE 1104.

La President (Title)

6/7/71

(Date)

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tosts taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I. II. III, and VI for changes of owner, well name or number, or transporter, or other such change of condition. Separate Forms C-104 must be filed for each pool in multiply completed wells. ANIOCO

D. L. Ray Division Engineer Que 45-64

Amoco Production Company

Oil and Gas Building P.O. Box 1410 Fort Worth, Texas 76101

June 3, 1971

File:

DRC-288-986.510.1

Subject:

Non-Standard Proration Unit Your Conoco-State No. 1 Hobbs-Drinkard Pool Lea County, New Mexico

Penroc Oil Corporation P. O. Drawer 831 Midland, Texas

Attention: Mr. H. Brace Wigzell

Gentlemen:

In reference to your letter of May 27, 1971, we are attaching herewith our waiver to your application for assignment of a non-standard proration unit for your Conoco-State Well No. 1, Hobbs-Drinkard Pool.

Yours very truly,

D. L. Ray of

CDB:jn

AMOCO

D. L. Ray Division Engineer Care 4564

Amoco Production Company

Oil and Gas Building P.O. Box 1410 Fort Worth, Texas 76101

June 3, 1971

File: DRO

DRC-287-986.510.1

Subject: Non-Standard Proration Unit

Penroc Oil Corporation's Conoco-State No. 1 Hobbs-Drinkard Pool Lea County, New Mexico

New Mexico 011 Conservation Commission P. 0. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Amoco Production Company, as an offset operator, has been advised by Penroc Oil Corporation of their application for a non-standard proration unit by completing their Conoco-State No. 1 drilled at a location 1980' FNL and 2130' FEL Section 33, T18S, R38E, Lea County, New Mexico in the Hobbs-Drinkard Pool. We understand Penroc is requesting that the Oil Conservation Commission approve an 80-acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 Section 33-18S-38E.

 $\label{lem:Amoco Production Company hereby waives notice of hearing to this application. \\$

Yours very truly,

D.L. Ray

CDB:jn

cc: Penroc Oil Corporation P. O. Drawer 831 Midland, Texas 79701

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

May 27, 1971

Case 4564

Re: Penroc Conoco-State No. 1
Unit No. G, Sec. 33-18S-38E
Lea County, New Mexico

Gulf Oil Corporation P. O. Box 670 Hobbs, New Mexico 88240

Attention Mr. C. D. Borland
Area Production Manager

Gentlemen:

Penroc Oil Corporation is presently completing their Conoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard Pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Gulf Oil Corporation consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

PENROC OIL CORPORATION

J. Brace Wigzell

H. Brace Wigzell

APPROVED: Yes 1, No

GULF OIL CORPORATION

By

Date 6-1-71

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Telephone (915) 683-1861

May 27, 1971

Case 4564

Re: Penroc Conoco-State No. 1 Unit No. G, Sec. 33-18S-38E Lea County, New Mexico

Shell Oil Company P. O. Box 1509 Midland, Texas 79701

Attention Division Production Manager

Gentlemen:

Penroc Oil Corporation is presently completing their Conoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hobbs-Drinkard Pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Shell Oil Company consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

Very truly yours,

PENROC OIL CORPORATION

**Diace Viggell,

H. Brace Wigzell

APPROVED: Yes_u

SHELL OIL COMPANY

P. O. DRAWER 831 . MIDLAND, TEXAS . 79701

Télephone (915) 683-1861

June 1, 1971

Care 4564

Re: Penroc Conoco-State No. 1
Unit No. G, Sec. 33-18S-38E
Lea County, New Mexico

Continental Oil Company P. O. Box 431 Midland, Texas 79701

Attention Mr. Robert F. Mathews
Exploration Manager

Gentlemen:

Penroc Oil Corporation ispresently completing their Conoco-State No. 1 well drilled at a location 1980' NL and 2130' EL of Section 33, T-18-S, R-38-E, Lea County, New Mexico, in the Hobbs-Drinkard Pool.

The New Mexico Oil Conservation Commission spacing rules require that the 80 acre proration unit for a well completed in the Hebbs-Drinkard pool be within the same quarter section. Penroc is requesting that the Oil Conservation Commission approve an 80 acre proration unit for the above well consisting of the SW/4 NE/4 and NW/4 SE/4 of Sec. 33-18S-38E.

This is to request that Continental Oil Company consent to the formation of the 80 acre production unit described above for the Conoco-State No. 1.

Please indicate your response on the copy of this letter and return to Penroc. Thank you.

Very truly yours,

PENROC OIL CORPORATION

H. Brace Wigzell

APPROVED: Yes X, No____

CONTINENTAL OIL CORPORATION

Date June 2, 1971

٠:

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

HAN

CASE No. 4564

Order No. R-

APPLICATION OF PENROC OIL CORPORATION FOR A NON-STANDARD OIL PRORATION UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30 , 1971 at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this day of July, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Penroc Oil Corporation, is the owner and operator of the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

-2-CASE NO. 4564 Order No. R-

- (4) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.
- (5) That approval of the subject application will prevent the conomic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That an 80-acre non-standard oil proration unit in the Hobbs-Drinkard Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to Penroc Oil Corporation's Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

- (2) that this arder shall become effective the date the Hobbe Destrict Office of the Commission is notified that the about described well how a casinghed goe connection.

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CASE 4565: Application of TOM L. INGRAM TO DIRECTIONALLY DRILL, LEA COUNTY, NEW MEXICO.